



## IOWA TELECOMMUNICATIONS AND TECHNOLOGY COMMISSION

Barb Kniff McCulla  
CHAIR

Timothy L. Lapointe  
Krista Wenzel

Robert F. Holz  
Annette Dunn

Steven Olson  
Rob Sand

Randy Goddard, Executive Director

Governor Kim Reynolds

Lt. Governor Adam Gregg

# Iowa Telecommunications & Technology Commission Grimes State Office Building, 1<sup>st</sup> Floor 400 East 14<sup>th</sup> Street, Des Moines, IA 50319 Meeting Minutes October 21, 2021

## FINAL

To ensure the most efficient use of State resources, the October 21, 2021, ITTC meeting was held via video conference pursuant to Iowa Code section 21.8. A video conference ensured that more Commissioners, staff, and the public were able to participate in the meeting and reduced the risk of delays caused by the public health recommendation. The meeting was accessible to members of the public.

## Roll Call:

### Commissioners Present

Barb Kniff McCulla, Chair  
Bob Holz, Member  
Steve Olson, Member  
Krista Wenzel, Member  
Timothy Lapointe, Member  
Matt Behrens, Representing Annette Dunn, Ex-Officio Member  
John McCormally, Representing Rob Sand, Ex-Officio Member

### Iowa Communications Network Staff

Randy Goddard, Executive Director  
Deb Evans, Chief of Staff  
Mark Johnson, Chief Administrative Officer  
Scott Pappan, Chief Technology Officer  
Mike Cruise, Finance Bureau Manager  
Stephanie DeVault, Business Services Bureau Manager  
Mark Dayton, ICN Sales Engineer  
Brian Clayton, Purchasing Agent III  
Lori Larsen, Executive Officer 2 (Recorder)

### Guest Attendees

Scott Golberg, Fiber Network Services (FNS)  
Ray Warner, Aureon  
Maria Wagenhofer, LSA

## Call to Order:

Chair Kniff McCulla called the meeting to order at 10:30 AM. It was noted that a quorum of members was present for the meeting.

## Approval of the September 16, 2021 Meeting Minutes:

Chair Kniff McCulla requested a motion to approve the September 16, 2021 meeting minutes. Commissioner Olson moved to approve the minutes. Commissioner Holz seconded the motion.

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The motion passed unanimously.

### Old Business:

Commissioner Holz requested an update regarding the status of the appeal of the contract awarded under the Inmate Calling RFP.

Randy Goddard said last week the administrative law judge had a hearing and called in the companies involved (ICS and Securus), and they had their Iowa and out-of-state representatives involved. ICN was present with our Attorney General (AG) representative. Judge Lindgren received much of the information in advance. The initial request of the hearing was based on the authorization of the ICN to release the contract on behalf of the Department of Corrections. Several witnesses provided testimony.

Deb Evans explained that the first time around, Securus and ICS gave documentation for their opinion. Last time, Alan Nagel attached ICN's documentation to Securus. ICN has not heard anything from any of the parties.

Commissioner Holz – Were all the issues before the ALJ at this hearing?

Randy Goddard said there was a motion to dismiss. The primary topic for the hearing was based on the authority of the ICN. The AG brought the question to light of the current contract, who holds that contract, who is managing it, who is the service provider (ICS), and have there been issues.

Commissioner Holz asked if there is a hearing briefing posted, will there be oral arguments, and where are we procedurally?

Brian Clayton said we did not have those last time. During the first part of the appeal we received follow-up arguments from all of the parties, and the ALJ's decision was based on that. They will probably follow the same path.

Commissioner Holz said, so we are now just expecting a decision.

Brian Clayton – Yes.

Commissioner Lapointe asked was ITTC counsel present for the hearing?

Randy Goddard – No, Michelle Rabe was not present.

### New Business:

#### Agency Updates

##### Finance Update – Mike Cruise

###### Fiscal Year 2021 Year-End

1. ICN closed in mid-September. The Statewide Cost Allocation Plan (SWCAP) report is due on October 30.



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2. Final Fiscal Year 2021 budget-to-actual saw a decrease in margin of \$228,516. This was due to end of year accruals for other post-employment benefits (OPEBs) and deferred compensation. There was also a 40% allocation from the first payroll of FY22 that was applied to FY21 for the last four days of June. The change not considering those accruals was a decrease in margin of \$17,771.32 in period 13. Operating activities gained about \$42,000. FY21 finished with a margin of -\$390,704, which is a little over \$1M favorable to budget and \$374K favorable to FY20.

### **September FY 2021 Budget-to-Actual Report**

#### Monthly Revenues and Expenses:

The month of September resulted in an operating margin of -\$568,809 or -22.9%. This is \$470,153 unfavorable to the budget, which is -\$98,656.

Overall revenues are unfavorable to budget by \$160,137. Direct expenses are unfavorable to budget by \$101,113. Providing a gross margin that is \$261,250 unfavorable to budget.

Total allocated expenses are \$208,903 unfavorable to budget.

#### Year-to-Date (YTD) Revenues and Expenses:

Through September, ICN had an operating margin of -\$1,048,906, which is \$473,607 unfavorable to the budget of -\$575,299. Overall revenues are unfavorable to budget by \$194,583 and direct expenses are \$136,803 unfavorable producing a gross margin that is \$331,387 unfavorable.

Reviewing the activity for the first quarter that explains the \$473,000 variance to budget can be summarized in five issues:

1. \$134,600 in expenses will be adjusted out of the operating budget, because they are related to the 2021 appropriation.
2. \$50,000 is due to equipment maintenance running over-budget, because there were an increased number of units covered in the agreement. The increase in percentage due to annual cost increases was higher than projected.
3. \$42,000 is due to allocation and timing issues in the general ledger.
4. \$54,000 in Outside Plant (OSP) expenses higher than budget – accepted normal variance.
5. Leaves \$193,000 in variance in revenue compared to budget which can be attributed to COVID and the inability for Account Consultant's be in front of customers selling services and moving projects along.
  - a. We have over \$1M in projects in the planning stage that will start to close in the next couple of months.

Commissioner Lapointe asked going into Fiscal Year 2022, how do we make that up, what is the strategy, what happens at the end of the year if those figures don't match up?

Mike Cruise said hopefully that will be addressed in the revenue increases and projects closing. I have been asked to provide a timeline and the dollar amounts to those revenue increases. Other questions are when will it hit the books, how much will the one-time revenue be (will it occur right away), and the effect of the monthly reoccurring. Most of our annual expenses and annual renewals for maintenance have already occurred, they will come back to the budget figures. A combination of those will help and if it continues to look weak, we may have to enact some cost hitting measures.

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Chair Kniff McCulla – I am sure you continue to look for efficiencies in your budget?

Mike Cruise – Yes, there are always expenses to look for and cut if needed. That could be option C, if needed.

### Comparison to September FY 2021:

The current year operating margin for the month of September is \$656,529 unfavorable to September FY 2021. Revenue is down \$356,932 from last year. However, direct expenses are \$25,622 favorable producing a gross margin that is \$331,310 unfavorable.

### Year-to-Date Comparison to FY 2021:

Operating margin is \$1,107,175 unfavorable to last Fiscal Year. Revenue is down from last year while direct expenses and allocated expense are both higher YTD compared to last year.

### WorkSmart/Workday

Go-Live for the HCM occurred on September 17. There were a few issues but we've worked through those and look forward to enjoying the features that are improvements over the legacy system.

### **COMMENTS**

No additional comments.

## **Contracting Update – Mike Cruise**

Nothing new to report.

### **COMMENTS**

None

## **Business Services Update – Stephanie DeVault**

Stephanie DeVault wanted to add to the conversation that Mike Cruise had. For inflight orders (orders where they are not booked from a revenue perspective, waiting for installations, equipment shortages, etc.) ICN has close to \$1M. We do have orders that are not fully installed, but we are billing the customers, those will be forthcoming. From a funnel perspective, we have close to half a million dollars that are out to be inked, that we have received verbal commitment or the contracts are out. Those will not see Mike Cruise's bucket until installed revenue, but that is forthcoming.

Scott Pappan added that vendor delays are now at 20 weeks.

Commissioner Wenzel asked if we are not anticipating equipment until March, and we need to finish installations, we are looking at April/May before we bill the customer, and then a 30-day turnout before we see revenue. Mike, do we anticipate that we need to amend the budget to account for some of the supply issues that are impacting revenues.

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Mike Cruise – In the past we generally have not adjusted the budget. If it is highly significant then I would put it in my notes, that we think our projected budget is going to be the certain amount, as opposed to what was projected originally. We don't change the numbers, since those numbers are entered into the State's accounting system.

### General Updates

- ICN had no new customers for the month.
- No new waiver requests.

### Healthcare

- IRHTP Equipment Refresh: Turning up the last clinic on October 26. Two VLANs in the near future.
- Ethernet increase: Mercy One Ottumwa Family Practice.
- Internet increases: Ringgold County Hospital, Burgess Health Center, Adair County Hospital.

### Government

- Cabling project to be completed by December 1: 60 conference rooms and we have 20 completed.
- Internet Increase: Legislative Services Agency (LSA) and Iowa Lottery.
- Cabling projects: IDR, IDPH, ISAC.
- OCIO connectivity project to data center.
- State Public Defender - Two locations with MVS.

### Public Safety

- Video order: DOT Mason City.
- Ethernet Circuit: DOC 2<sup>nd</sup> District.
- Ethernet Upgrade: Judicial Webster County.
- Ethernet Circuit for FirstNet: HSEMD Cresco.
- Ethernet Circuit: HSEMD Palo Alto County.
- Fiber build for ethernet circuit: DPS Appanoose County, Centerville.

### Education

- Lit Services for ISU-ARA Project from Boone to ISU. Started working on phases 3 and 4.
- Move and Internet Connection: Marion Public Library.
- Ethernet connection: Mormon Trail CSD.
- Ethernet for the following Iowa Lakes Community College locations: Spirit Lake, Algona, Spencer, and Emmetsburg.

### Marketing and Communications

- More active with ICN information on social media.
- Tradeshow update.
- SYBAC: October's guest was Ryan Mulhall providing a security update.
- Social media campaigns.

### COMMENTS

None

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## Network Services Updates

### Network Operations & Security Update – Scott Pappan

#### Network Updates

- Network Core Update: Coming to the final stages, we are configuring Fort Dodge in the lab, with Estherville to follow. We are migrating circuits into Waterloo (85% completed) and configuring Layer 3 in Mason City. Power has been upgraded to City Armory. This allows us to replace infrastructure on the Capitol Complex. Core will be completed by the first quarter of next year.
- Aggregation testing: The Juniper box worked well, which will go with the Juniper Core to alleviate any interoperability problems. We have also identified the rectifier. We are looking to purchase 12-15 boxes per quarter.
- Palo Alto installation (Firewall Migration Project): We are using the Smart Hands program and they are cross-training. Project will be completed by the end of December or early January.
- Peering: Doubling connectivity to our ISPs to Denver and Chicago. We will have Dallas disconnected in three to four weeks.
- IRHTTP upgrade: We plan to move Marshalltown over on October 26. This project will be completed soon.
- Engineering update: Working on testing the aggregation switch. They have been involved with Business Services with the Iowa State University ARA Project. Part of the network goal for operations is to provide a smaller, cleaner, more efficient network. Engineering is decommissioning antiquated equipment.
- Outside Plant update: In September they had 4 cuts and all SLAs were met.

#### COMMENTS

None

## Administration & Facilities Updates

### Facilities and TAC Update – Mark Johnson

#### TAC (Technical Assistance Center) Update

Cabling and wiring projects completed in the last month include work for:

- Legislative Services Agency: Cable & camera installation.
- Department of Cultural Affairs / Historical Building: Cubicle reconfiguration & remodeling.
- Iowa Department of Revenue: Capping telecommunications outlets/floor boxes and removing voice/data cabling for approximately 60 workstations.
- Department of Natural Resources: Cubicle reconfiguration & remodeling.
- Alcoholic Beverages Division – Dept of Commerce: Installation of multiple Cat5e copper cables in (4) locations throughout their warehouse area, to be used for testing purposes for (3) potential vendors to support their security (camera) needs.
- Iowa Communications Network: Cabling to support ICN Palo Alto firewalls and servers.

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- Iowa Communications Network: Reconfiguration of reception area.

FirstNet cable and equipment installation were completed for the following locations:

- Wayne County Sheriff's Office, Corydon.
- Johnson County Sheriff's Office, Iowa City.
- Hardin County Sheriff's Office, Eldora.
- RACOM Corporation, Marshalltown.
- Tama County Sheriff's Office, Toledo.
- Monona County Sheriff's Office, Onawa.

Cost estimates for:

- Department of Education: To remove and reinstall all telecommunications cabling for carpet replacement.

Provided MVS Out-State site surveys and cost estimates:

- Department of Public Safety.

Ongoing cabling and wiring projects include:

- Department of Cultural Affairs: Cable installations to support workstation data cabling requirements.
- Department of Cultural Affairs: Cable installations to support workstation voice cabling requirements and relocating telephones to accommodate construction currently underway.
- OCIO / Hoover Building, Data Center.
- OCIO / Joint Forces Headquarters, Data Center.
- Department of Education: Resulting from the reconfiguration of DOE director's area and reception area by installing new voice/data cabling and related work.
- Iowa Department of Revenue: Involving cabling and camera installations.
- Capitol Complex Conference Room Project.

Currently Developing Cost Estimates for:

- MVS Out-state Site Surveys and Cost Estimates: Department of Public Safety.

### Facilities Update:

- After 24 years of dedicated service to the State of Iowa, Paul Stuber retired on October 11.
- After interviewing several strong candidates, Greg Dorrell has accepted the facilities position. With Greg's hire, we are starting the process on how to fill the void created in TAC.
- As noted last month, the drop-in temperature continues to be a plus in terms of reducing the number of HVAC issues.
- There is an irregular voltage issue at our location in Gilman. The issue has been resolved although the exact cause has yet to be determined.

### COMMENTS

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Commissioner Holz - We read nearly every day of all the money for broadband. First my perception is that we are not likely to be direct recipients to those funds. Are we likely to be a secondary beneficiary in revenue streams, because of the broadband activity going on.

Randy Goddard - Yes, the things we see directly associated with broadband funding, most recently the \$200 million. The direct recipient, no. Indirect, yes. Some of the funding is not only broadband, but the American Rescue Plan funding. That is some of the money that you are hearing about for recabling conference rooms. The Governor's Office is also interested in hearing from state agencies. They are interested in 6-8 projects that we proposed in advancements of technology.

Commissioner Holz – Glad there is a direction and the potential for some revenues.

Commissioner Olson – All the equipment delays, are they contract price or does the price go up?

Scott Pappan – Most are pretty stagnant, because we are holding them to contracts.

### **Legislative Update – Mark Johnson**

We have continued to try to respond to questions and meeting requests from a few legislators as to what the ICN can do. There are specific questions that they are asking about regarding network security and cybersecurity. The redistricting map is a topic that the legislature is discussing.

### **2022 ITTC Meeting Dates - Chair**

Chair Kniff McCulla requested a motion to approve the 2022 ITTC meeting dates. Commissioner Holz moved to approve the dates. Commissioner Lapointe seconded the motion.

The motion passed unanimously.

## **Other Business:**

### **ITTC Committee Updates – Staff/Commission**

#### **Personnel Committee – Mark Johnson**

The Personnel Committee did not meet in October. We will be having a meeting the first week of November.

#### **Finance Committee – Deb Evans**

Meeting Date: October 18, 2021.

Attendance: Commissioner Wenzel, Commissioner Holz, Brian Clayton, and Mike Cruise.

Topics Covered:

- Brian Clayton gave updates on several contracting issues.
- Review of September FY 2022 financials as presented today.
- Workday update.

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- Commissioner Wenzel requested that ICN provides a timeline and dollar impact on future revenue projections.

### Customer and Services Committee – Stephanie DeVault

Meeting Date: October 13, 2021.

Attendance: Commissioner Olson, Commissioner Lapointe, Stephanie DeVault, Mark Dayton, Ryan Mulhall, and Lori Larsen.

Topics Covered:

- Services in the funnel and what is closing.
- Strategic marketing perspective.
- Changing to more of a sales organization.

### Operations Committee – Scott Pappan

Meeting Date: October 14, 2021.

Attendance: Commissioner Lapointe, Commissioner Wenzel, and Scott Pappan.

Topics Covered:

- Overview of network event.
- TDM to SIP migration and plan.

### Public Comment:

None

### Adjournment:

The ITTC meeting adjourned at 11:18 AM.

### ATTESTED TO:

*Barb Kniff McCulla - Chair, Iowa Telecommunications and Technology Commission*